

Message Text

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51

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 INT-08 OMB-01 TRSE-00

SCI-06 SCEM-02 CIEP-02 STR-08 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 AID-20 DRC-01 /157 W

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P R 191912Z DEC 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 2172

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PORT OF SPAIN

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE CARACAS 10841

E.O. 11652: N/A

TAGS: ENRG VE

SUBJ: MINISTER PEREZ WANTS TO TAKE SOME ROYALTIES IN OIL

REF: CARACAS 10357

1. SHELL DIRECTOR RICHARD IRVING TOLD PETROLEUM ATTACHE DECEMBER 19 THAT HE HAS LEARNED THAT HYDROCARBONS MINISTER HUGO PEREZ LA SALVIA HAS DECIDED TO TAKE SOME ROYALTIES IN KIND. IRVING HAD PREVIOUSLY DISCOUNTED REPORTS TO THIS EFFECT (AS HAD EMBASSY) BECAUSE TECHNICAL LEVEL OFFICIALS IN MINISTRY DENIED ANY SUCH MOVE WAS AFOOT. HOWEVER, IRVING'S LATEST INFORMATION (WHICH COMES FROM CONFIDENTIAL ASSISTANT TO MINISTER) IS THAT MINISTER PEREZ IS WORKING ON THIS PROBLEM PRIVATELY WITH CVP DIRECTOR VALERY, AND WITHOUT INVOLVING OTHER MINISTRY OFFICIALS. PEREZ WILL CITE LIMITED OFFICIAL USE

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AS JUSTIFICATION FOR HIS MOVE "IRRESISTIBLE"

PRESSURE FROM LATIN NEIGHBOR COUNTRIES FOR OIL SUPPLIES,
ESPECIALLY COSTA RICA AND EL SALVADOR.

2. THERE ARE SEVERAL PUZZLING ASPECTS TO THIS PROBLEM.
FIRST, 90 DAYS' NOTICE WOULD BE REQUIRED TO EFFECT
CHANGE, BY WHICH TIME SITUATION MIGHT BE QUITE DIFFERENT.
SECOND, OUR UNDERSTANDING (AND SHELL'S) IS THAT OIL
NEEDS OF CENTRAL AMERICAN COUNTRIES ARE BEING MORE OR
LESS FULLY MET BY THE LATEST DISPOSITIONS OF OIL
COMPANIES. THIRD, IMPORTANT CHANGES IN POLICY ARE NOT
NORMALLY MADE BY AN OUTGOING VENEZUELAN GOVERNMENT
WITHOUT CONSULTING WITH INCOMING GOVERNMENT (WHICH IN
THIS CASE HAS NOT BEEN DONE, WE ARE TOLD). FOURTH,
FONMIN CALVANI HAS ASSURED AMBASSADOR (CARACAS 10357)
THAT PRESIDENT CALDERA WILL TAKE NO NEW INITIATIVES
BEFORE END OF HIS ADMINISTRATION.

3. EMBASSY IS SEEKING FURTHER INFORMATION ABOUT THIS
SITUATION.
MCCLINTOCK

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, SUPPLIES, ROYALTIES
Control Number: n/a
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Draft Date: 19 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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US Department of State
EO Systematic Review
30 JUN 2005

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TAGS: ENRG, VE, CVP, (IRVING, RICHARD)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005